



COMMUNITY DEVELOPMENT DEPARTMENT

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PLANNING COMMISSION MEETING MINUTES

REGULAR MEETING

MARCH 11, 2008

PRESENT: Acevedo, Koepp-Baker, Davenport, Escobar, Mueller

ABSENT: None

LATE: Tanda, who arrived and was seated on the dais at 7:07 p.m.

STAFF: Community Development Director (CDD) Molloy Previsich, Assistant to the City Manager (ACM) David Heindel, Planning Manager (PM) Rowe, Senior Planner (SP) Tolentino, and Minutes Clerk Johnson. Also present, for Item 4 (Downtown Specific Plan): Traffic Consultants Mark Spencer and Rafael Rius, of DKS Associates, 1000 Broadway, #450, Oakland

Chair Escobar called the meeting to order at 7:00 p.m. by inviting all present to join in the pledge of allegiance to the flag of the US.

DECLARATION OF POSTING OF AGENDA

Minutes Clerk Johnson certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

Chair Escobar announced an agenda change: Items 4 and 5 were reversed to better facilitate Commissioner Acevedo who would be excused for item 4 due to the potential for conflict of interest resultant from the location of his business in the downtown area.

OPPORTUNITY FOR PUBLIC COMMENT

Chair Escobar opened the floor to receive comments for items not appearing on the agenda. Ascertaining that no speakers were present for that purpose, the public comment period was closed.

MINUTES:

FEBRUARY 26,
2008

COMMISSIONERS MUELLER/KOEPP-BAKER MOTIONED APPROVAL OF THE FEBRUARY 26, 2008 MINUTES AS PRESENTED. THE MOTION CARRIED (5-0-1-0) WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, ESCOBAR, MUELLER, TANDA; NOES: NONE; ABSTAIN: DAVENPORT; ABSENT: NONE.

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PUBLIC HEARING:

1) EXCEPTION TO LOSS OF BUILDING ALLOCATION EOT 08-01; DIANA- CHAN

A request for an exception to the loss of building allocations for FY 2007-08 awarded to the 117-unit Diana-Chan project located on the south side of Diana Ave., 250 ft. south of Murphy Ave. The specific request is for a 12-month extension.

PM Rowe gave the staff report, together with a brief overview of this matter. "With this request, we are looking at five building allotments of the 20 originally awarded (15 for FY 2007-08 and 5 for FY 2008-09). In June 2007, the Planning Commission approved a trade of allocations with the E. Dunne-Delco project, which allowed 8 of the 13 2007-08 allocations to shift to the Delco project and 8 of the FY 2008-09 allocations from the Delco project to shift to the Diana-Chan project," PM Rowe stated. "Realistically, being left with only 5 allocations, it may have made the project less than attractive to developers the applicant was trying to attract." He went on to provide the following time line and pertinent data:

- * June 2006: zoning, subdivision and development agreement application were filed
- * October 2006: scope of work for the EIS (Environmental Initial Study) provided to the applicant
- * May 2007: funds received from applicant to begin initial study
- * Present date: document is awaiting work pending applicant's submittal of Phase I soils report and arborist report (partial progress report last Friday)
- * no development agreement; no identified builder; this is second request for extension of time (City rules say extensions to be granted only if delay is found not to be fault of applicant)

Concluding the staff report, PM Rowe noticed the often referenced downtown in real estate economy and the housing market slump.

Chair Escobar opened the public hearing.

Rick Shelton, 700 Line St., Hollister, spoke to the Commissioners, reiterating some of the history of the property and the project, and saying that the four families involved with ownership of the property are committed to going forward. "It is our hope that with work we can accomplish during this extension, the property can be made more attractive to a potential developer," Mr. Shelton said. Mr. Shelton reminded that the process for development of this property had begun 15 years ago. "Now I think we can all agree, real estate has changed dramatically within the last two years. I am here to reaffirm our dedication to this project as we ask for an extension," Mr. Shelton declared.

Maureen Upton, 8339 Church St., Gilroy, also gave an overview of the trade approved by the Commissioners, as well as explaining the difficulty with obtaining funding for the project and a builder/ developer. Ms. Upton repeated pledged funding from the principals involved with joint ownership and vowed to continue with the project on the financial strength of the owners. Ms. Upton maintained that she had not been advised of papers not being filed timely – or (in some instances) incorrectly with the City.

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Responding to Commissioners questions, PM Rowe told when the applicants would have to submit plans for building-and-grading permits in September of this year (2008) for the 2008-09 timeline to be met. Commissioner Mueller remarked, "They are almost behind the curve on that." PM Rowe and Ms. Upton agreed, saying that a start time would most likely be in the spring of next year (2009).

Commissioner Mueller cautioned that there are a 'couple of big hurdles to cross without a builder'. "The applicant needs a builder for plan checks and submittal of papers," he said. Ms. Upton reiterated the financial capabilities of the ownership, with Commissioner Mueller continuing to caution of the required submittals 'by the next fiscal year'.

Ms. Upton expressed confidence as she responded, "We know everybody likes this beautiful project; times will improve."

Commissioner Koepp-Baker asked for clarification regarding the ownership having made a decision for funding but failing to submit required papers. Ms. Upton explained that the group had been working with a developer who was unable to obtain funding for the project, and so 'we stepped up to plate with the CEQA negotiations'.

Chair Escobar asked if, even though the ownership parties were willing to 'step up and deliver', but intended to continuing to look for a developer? Ms. Upton indicated that was the objective, "We are willing to do this."

Commissioner Mueller expressed concern that with the 2008-09 development, the project could be behind schedule and if there was further delay due to issues with finding a builder, the project would keep getting further behind. Ms. Upton assured that the applicants were well aware and understood the issues.

Pac Soon Chan (no address provided) reiterated the intent of having all the owners work together. "We thought we could get a buyer to take over the project, but now we are working to do it ourselves," Mr. Chan said. Responding to a question from Chair Escobar, Mr. Chan said it might be possible to enter into negotiations with the original builder.

Commissioner Acevedo asked about current negotiations with banks for funding of the project. Mr. Chan and Ms. Upton told of the two banks they are talking with:

- ° one in Cupertino (which had provided financing for Mr. Chan's Shadow Brook development) and San Benito Bank

Commissioner Mueller urged watchfulness to the big issue of missing deadline submittals for the upcoming fiscal year. "Should you delay, it would really cause difficulty. You are behind the curve now," he said.

Chair Escobar asked, "At which point will you decide to do this development yourselves or not?" Ms. Upton replied, "Soon. We must decide if we will complete the entire thing."

PM Rowe advised which of the reports have been received and told the Commissioners that because of delayed documents there is urgency in having the paperwork submitted timely in the future should the request for extension be granted.

With no others in attendance to speak to the matter, the public hearing was closed.

Commissioner Mueller announced that, while he understood staff's concern, but based on current economic conditions, he could easily understand the need for the request, coupled with the necessity of having the applicants devoted to 'catching up'.

COMMISSIONER MUELLER OFFERED A RESOLUTION RECOMMENDING APPROVAL OF A ONE-YEAR EXTENSION OF TIME ON THE FY 2007-08 RESIDENTIAL BUILDING ALLOTMENT FOR APPLICATION MC 04-04: DIANA-CHAN. NOTING THE INCLUSION OF THE FINDINGS AND CONDITIONS, COMMISSIONER TANDA SECONDED THE MOTION, WHICH PASSED (4-2-0-0) BY THE FOLLOWING VOTE: AYES: ACEVEDO, ESCOBAR, MUELLER, TANDA; NOES: KOEPP-BAKER, DAVENPORT; ABSTAIN: NONE; ABSENT: NONE.

2) HISTORICAL RESOURCES ORDINANCE

The City of Morgan Hill is updating the City's historic resources inventory and Chapter 18.75, Cultural Resources Preservation, of the Morgan Hill Municipal Code. The intent of the update is to streamline the development review process for the purposes of the California Environmental Quality Act by better defining the process for the identification and review of potential historical resources. The ordinance will be used with the adopted Historic Context Statement to make determinations of significance in the future.

SP Tolentino gave the staff report, noticing that proposed revisions to the Historical Resources Ordinance include the creation of two discretionary permits for alteration, demolition, and relocation of historical resources. Since some concerns had surfaced at the February 26, 2008 Commission meeting, she said, changes were being presented at this meeting. Those changes were identified as items 1 – 6 on page 2 of the staff report. A potential fee structure was presented, with input being requested from the Commissioners.

Commissioner Tanda said he thought 'efforts were made in the right direction' but still had concerns, many of which dealt with noticing for subsequent owners of properties identified as 'of interest for further historic evaluation for potential significance'. "How is a new homeowner supposed to know of the provisions of the Ordinance?" he asked. SP Tolentino explained that a specific procedure had not yet been identified. "Generally, the need for a permit will be sparked by having an owner call or come into the office," SP Tolentino said.

CDD Molloy Previsich said that discussions with the Commissioners are helpful to identify areas where further clarifications are needed, such as for the definitions of "alternation" and "exterior architectural feature".

CDD Molloy Previsich responded to questions about CEQA law and guidelines, which govern the identification of buildings with historic resource value. CDD Molloy Previsich also indicated that when the historic ordinance and historic structures survey update were completed, the information would be published to the City's web site, along with the adopted Historic Context Statement, with explanatory information for

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local property owners. Commissioner Koepp-Baker expressed an opinion that there was need for education ‘beyond the web’ and urged consideration of public workshops for that purpose.

Commissioner Davenport asked, “What resources will be available for owners?” CDD Molloy Previsich explained that within the program some incentives are in place and an objective of the next phase of the program will be identification of other incentives. “We have built in a technical support resource but in terms of financial help, currently that is lacking the program,” CDD Molloy Previsich, as she then acknowledged that the City’s RDA might be a source of some funding. Commissioner Davenport said, “A real concern of mine is to have a set of laws for private property owners without a full picture for trying to help. The expectation of what we are trying to do is a good idea, but there needs to be more to help out people who own historic structures.”

Commissioner Mueller remarked, “It appears we all agree on how to get to where we want to get. Are we meeting the CEQA principles for the program?” CDD Molloy Previsich advised that ‘basically the proposed ordinance reflects current State law and procedures that are already being followed during review of development applications.

SP Tolentino noted that with the survey, the initial 800 properties within the Urban Growth Boundary that were more than 45 years old had now been whittled down to 100 that should be further evaluated in the future for potential historical significance.

Commissioners discussed with staff:

- this program is for local historic resources
- need for residents and owners (and potential owners) to be educated
- the incentives section could be rewritten for better comprehension
- concerns with some Section 18.75.030 definitions
- further evaluative study of the survey may reduce number even further
- staff explanation: National Register treatment of historic properties/ how program works
- explanation of determining ‘historic significance’
- concerns of fees for alteration/renovation permits
- CDD has authority to approve alternation permit/methodology for accomplishment
- what happens as existing buildings get older
- survey recommendation to explore potential for 3 historic districts
- potential of putting the districts item into Planning Department work plan

Commissioner Tanda led discussion of the Archaeological Sensitivity. SP Tolentino explained the process of identifying properties on that map: when development plans are presented.

SP Tolentino clarified that buildings in downtown have been already evaluated. CDD Molloy Previsich reminded that all downtown historic structures have been fully evaluated and will soon be scheduled for determinations of local significance by the Planning Commission and City Council.

Commissioner Tanda said, “Those units that are identified as locally historic significant may add some constraints to potential buyers. How can those issues be

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identified to potential buyers? Could the information be carried on the title? Would it be necessary to have a disclosure from the City?"

CDD Molloy Previsich said, "The ordinance currently is silent on the matter of disclosure. We would need to confer with the City Attorney about whether the city could have a role in that. Under CEQA, the buildings are still historic even if the owner does not agree to place the structure on the local register list." Chair Escobar suggested that there may already be disclosures required by State law.

Chair Escobar opened, and then closed, the public hearing as there were no persons present to address the matter.

Commissioner Koepp-Baker continued to urge education for the public on the matter.

Commissioner Mueller said, "From a transparency point of view if this goes directly the City Council, how would it be noticed, as a general ordinance? Or just the property owners?" SP Tolentino said it would be best to have a direct mailing to those affected, not the general public. CDD Molloy Previsich said that owners of those 100 units that have been identified as worthy of further evaluation in the future would be informed.

Commissioner Koepp-Baker insisted that people need to be told of the ramifications of the ordinance. CDD Molloy Previsich stated, "What we do now is being put into the ordinance – the goal is to update our city ordinance to reflect existing State law and our existing procedures." Commissioner Koepp-Baker referenced changes of ownership in real estate and said, "When someone buys, if they do not know restriction, it could present problems. People need to know before negotiations." Chair Escobar agreed buyers must be told, but said he felt the future sales issue was necessarily the city's duty. "Now we are talking about transparency for the community at the time of this ordinance adoption so they understand it. We are not there yet even though they may be impacted," Chair Escobar said.

CDD Molloy Previsich called attention to the short list of 100 and advised the Commissioners they might want to look at further reductions from that list. Commissioner Mueller said, "The question becomes: should those owners be notified to attend a Planning Commission meeting in an effort to assure that everyone knows what the City is doing? I think transparency is best at the Planning Commission."

Chair Escobar asked, "If for some reason the Ordinance does not pass, what then?"

CDD Molloy Previsich explained that, under CEQA this process has to occur. "We are just trying to make clear what existing procedures. Our current ordinance is not consistent with CEQA and State law. We are actually doing the process now, but want to update the ordinance to reflect that. We will be trying to get the downtown determinations before the Planning Commission and the City Council sometime this spring."

Commissioner Mueller clarified, "The City is trying to document so everything is known. It appears that we need a visual to show people how the process works. This will also give transparency to State law."

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Commissioner Acevedo commented he thought the explanation provided was fine and further said, "Knowing the staff will rewrite the definitions, this ordinance is essential for the preservation and integrity of the buildings. We are maintaining the program we are already doing. I think from a productivity standpoint, it is good and should go the City Council."

COMMISSIONER ACEVEDO MOTIONED TO SEND THE HISTORICAL RESOURCES ORDINANCE TO THE CITY COUNCIL, WITH DIRECTION TO STAFF TO MAKE THE CHANGES OF DEFINITIONS NOTED DURING DISCUSSION AND HIGHLIGHTING THOSE CHANGES AS INFORMATIONAL TO THE COUNCIL. CHAIR ESCOBAR SECONDED THE MOTION.

Commissioners discussed:

- some ideas on a proactive notification process
- potential for local significance
 - need to add to Ordinance
 - possibility of deed restriction
 - having the notification process separate from the Ordinance
 - appropriateness to address applicability; age of property at survey
- notification by certified mail or regular mail
- exemptions from additional permitting (categorize as not possible (this is state law))
- concerns of districts identified with potential for historic
- need for system to help property owners to be developed
- notification seems to be added to ordinance
- discretionary permits
- transparency to those potentially affected

Chair Escobar suggested modifying the motion with a revision that the staff would have the task of notifying those owners of properties where further evaluation is contemplated for historic property identification purposes. Chair Escobar asked Commissioner Acevedo if he would consider modification of the motion to have the Ordinance returned to the Planning Commission?

Commissioner Acevedo responded, "No, right now, I don't know how to make it real clear. It is best to avoid creating confusion and fear; just send the ordinance to the City Council, as it reflects existing procedures."

Chair Escobar suggested, "If the Planning Commissioners were 'one of deciders', the more the Planning Commissioners helped with education, the better."

Commissioner Tanda commented, "A concern is that property owners can't tell if they are 'in or out', and to send this to the City Council without knowing answers would be possibly unfair. We need to be very clear. It will be good for the Planning Commission, the City Council, and staff better to devise a way to lay out the system clearly so the community knows how it works. With the exception of a few definitions, 18.75.040 is very well laid out, and with respect to notifying the 100 or so property owners, a system needs to be devised.

Chair Escobar inquired as to the 'level of urgency' in moving the Ordinance forward?

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CDD Molloy Previsich responded, "It is a question of workload and in terms of urgency, we did want to get the ordinance in place and then have the Commission and Council make significance determinations for structures located in the Downtown, so those can be reflected in the EIR. But since the ordinance reflects existing law and procedures, staff will schedule the downtown determinations even though the formal ordinance is not yet adopted. The Commission/Council can use the draft ordinance as a tool, along with the Historic Context Statement.

THE MOTION WAS REMOVED ON THE BASIS OF HAVING THE SECOND WITHDRAWN BY CHAIR ESCOBAR, WITH AGREEMENT FROM COMMISSIONER ACEVEDO AS THE MAKER OF THE MOTION.

COMMISSIONERS MUELLER/TANDA MOTIONED TO TABLE THE ISSUE OF THE HISTORICAL RESOURCES ORDINANCE.

Commissioner Tanda suggested that, when the issue is returned to the Commission, visuals, including case study flow charts, etc., to be provided on how the Ordinance would work for property owners and applicants.

THE MOTION PASSED (5-1-0-0) BY THE FOLLOWING VOTE: AYES: KOEPP-BAKER, DAVENPORT, ESCOBAR, MUELLER, TANDA; NOES: ACEVEDO; ABSTAIN: NONE; ABSENT: NONE.

**3) ZONING
AMENDMENT
APPLICATION, ZA
06-16: CITY OF
MORGAN HILL-
PLANNED UNIT
DEVELOPMENT/RE
SIDENTIAL
PLANNED
DEVELOPMENT,
PARKING AND
DESIGN REVIEW
ORDINANCE
AMENDMENTS
AND
ARCHITECTURAL
DESIGN
HANDBOOK**

Consideration of modifications proposed to the Planned Unit Development, PUD chapter 18.30 and repeal of Chapter 18.18 Residential Planned Development, RPD zoning. Modifications are also proposed to chapter 2.56 Architectural Review Board, Chapter 18.50 Parking and Paving Standards and 18.74 Design Review. A revised Architectural Design Handbook will also be considered.

CDD Molloy Previsich announced this item was recommended for continuance as – at the recent workshop – the need for further work had been identified.

Chair Escobar opened, and then closed, the public hearing as there were no persons present to address the matter.

COMMISSIONERS MUELLER/DAVENPORT MOTIONED TO CONTINUE THE MATTER OF ZONING AMENDMENT APPLICATION, ZA 06-16: CITY OF MORGAN HILL-PLANNED UNIT DEVELOPMENT/RESIDENTIAL PLANNED DEVELOPMENT, PARKING AND DESIGN REVIEW ORDINANCE AMENDMENTS AND ARCHITECTURAL DESIGN HANDBOOK TO THE APRIL 8, 2008 PLANNING COMMISSION MEETING. THE MOTION PASSED WITH THE UNANIMOUS AFFIRMATIVE VOTE OF ALL COMMISSIONERS PRESENT; NONE WERE ABSENT; ONE VACANCY EXISTS.

In accordance with the earlier announcement, agenda item 5 was taken up at this point.

**5) APPROVE
WORK PLAN AND
APPOINT A
SUBCOMMITTEE
TO REVIEW AND**

PM Rowe announced the need for the Commissioners to consider and take action on:

1. Approval of the work plan to consider changes to the RDCS standards and criteria and procedures for evaluating micro projects.
2. Appointment of two or three members from the Planning Commission to serve

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**AMEND THE
RESIDENTIAL
DEVELOPMENT
CONTROL
SYSTEM (RDCS)
EVALUATION
CRITERIA**

- on a Subcommittee to review and provide recommendations regarding changes to the RDCS standards and criteria.
3. Direct staff to recruit other, community representatives to participate in a Working Group with the subcommittee as determined by the Planning Commission.
 4. Direct the subcommittee to complete work on the remaining work plan items in time for consideration by the full Planning Commission at a public hearing to be held in May 2008.

PM Rowe, as part of the staff report:

- advised that staff is recommending an addition to the working group: a representative of the affordable housing sector
- noticed that there are some recommended changes to the work plan, e.g., more detailed plan for design and development
- the City Finance Department will review the fee structure for Micros
- need to devise a plan for streamlining the complexity of the 14 identified categories
- discussions of affordable housing commitments
- design features including gray water uses for water conservation
- other issues raised in the workshop last fall

Commissioner Davenport reminded of the need to include energy conservation.

Chair Escobar opened the public hearing.

Rocke Garcia, 14800 Sycamore Dr., told the Commissioners he was present to request that the subcommittee include at least two of the major developers in the City. Mr. Garcia said he, Dick Oliver, and/or Scott Schilling would be willing to participate.

With no others in attendance indicating an interest in speaking to the matter, the public hearing was closed.

Chair Escobar requested volunteers from the Planning Commission with Commissioners Koepp-Baker, Davenport (who said he felt he could contribute much as a 'carry over' participant, particularly in with the gray water issue) and Mueller volunteered.

Brief discussion ensued regarding the content of the work plan (which was termed 'good') and the emphasis on concentrating on the work at hand for the Subcommittee. All Commissioners present agreed that having developers and the affordable housing representative would be valuable.

COMMISSIONERS MUELLER/KOEPP-BAKER MOTIONED TO ACCEPT ALL THE RECOMMENDATIONS REGARDING APPROVAL WORK PLAN AND APPOINTMENT OF A SUBCOMMITTEE TO REVIEW AND AMENDMENT THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) EVALUATION CRITERIA. THE MOTION PASSED (6-0) BY THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, DAVENPORT, ESCOBAR, MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT:

NONE.

Since agenda item 4 was to be undertaken at this point, Commissioner Acevedo was excused at 8:45 p.m. due to the potential for conflict of interest as he owns a business in the downtown area.

4) RECOMMENDATION TO CITY COUNCIL REGARDING CONTENT OF DRAFT DOWNTOWN SPECIFIC PLAN TO BE ANALYZED IN EIR (THE PREFERRED "PROJECT DESCRIPTION")

CDD Molloy Previsich announced that the purpose of this item was to develop recommendations for the City Council regarding modifications of the Preliminary Draft Downtown Specific Plan, for key components, so that the "project description" for the Draft Plan can be defined. "At the Council's special meeting on April 2, it is anticipated that the Council members will consider the recommendations and provide direction on the content of the Draft Plan.

The traffic consultants were present and acknowledged.

Commissioners said that, recognizing the importance of these discussions, it might be well to realize that more than one meeting may be required, and the Commission may need to consider starting the next meeting at an early time or to schedule a special meeting to facilitate discussion/recommendations. It was agreed that at 10:00 p.m. this night, the Commissioners would discuss next steps for their deliberations.

CDD Molloy Previsich gave the staff report, noting that the City had published the Preliminary Draft Plan at the end of December 2007. During January and February various stakeholder and Planning Commission workshops were conducted to receive input. The staff report addresses comments and input received, along with making recommendations about key components of the Plan contents.

Commissioners launched into discussion regarding:

Retail

- retail space and commercial space designated downtown [it was noted that a June 2005 analysis for Cochrane Center provided good information about the trade area]
- the Downtown is a 'different niche' from malls and those centers along freeways
- if Downtown is done right it can be very successful
- information about sales "leakage", existing and future demand for retail space
- plenty of opportunity in future for downtown to be supported
- RDA has resources to become actively involved to enhance downtown thru funding
- projection for over 110,000 sq ft of "net new" retail space in the 20 downtown blocks
- identification of certain locations, e.g., the old Albertson's shopping center, which could redevelop with mixed use and residential, and would result in a reduction of retail by about 70K sf on that site, with that square footage "shifting" to the core area of downtown

CDD Molloy Previsich called attention to current regulations and how the new specific plan aimed to ensure that ground floor retail spaces were constructed at appropriate locations, with appropriate configurations in terms of space depth and

ceiling heights. She then called attention to **Recommendation #1** related to amount of net new commercial space projected to be located within Blocks 1 – 20.

Discussion followed:

Commissioner Mueller increase in actual construction to be reflected in numbers

CDD Molloy Previsich: emphasis of Plan to get right types of spaces created in the new buildings. Commissioner Davenport: who determines ‘what gets filled when’?

CDD Molloy Previsich said the marketplace will determine how the spaces get filled. If there is insufficient retail demand at times, then the spaces can be filled with office, live-work, or other uses. She told of ‘typical size ranges for community shopping centers’, and stated that the 300,000 sf amount projected in downtown for 2030 meets the definition of a community shopping center, which is appropriate. Commissioner Mueller: this downtown is different with product bulk within 3 blocks

CDD Molloy Previsich said that ground floor retail will be concentrated along street frontages from Main to 4th Street along Monterey, and along East Third Street between Monterey and Depot. The idea is not to create a “typical community shopping center” over a couple of downtown blocks, but to create street-fronting retail along both sides of the street, emphasizing four blocks along Monterey and the one Third Street block. Other blocks and street frontages will also have retail, but those are key. The retail leasing consultant has advised on necessary retail space depths along these streets, with depth of 60 feet deep along Monterey but 80 feet deep on corners, and at least 50 feet deep along East Third but 80 feet deep on corners.

Commissioner Mueller still concerned synergy not developed, believing that concentrating retail square footage within a couple of central blocks would be better to achieve a critical mass so that one can get what you want within a half-block. CDD Molloy Previsich stated that is not typically the goal for a downtown retail area.

Commissioner Mueller problem: will commercial marketplace accept vision?

CDD Molloy Previsich: Retail consultant advised that the downtown area will be viable for retail tenants if a substantial downtown residential population is created, appropriately configured spaces are available, and there is a public parking supply.

Chair Escobar (his perspective): Commissioner Mueller’s inclination to have everything within a half-block is to state an obvious need for ‘everything to be there’; if downtown is going to be a draw, there is need to have sense of services needed by people; if we know that, conditions will determine what goes downtown but some essentials that are always present must be identified – e.g. where is a produce store. “If I have to get into my car to drive to a supermarket, then I might bypass the produce market. Some of those things might need to be decided and the City may be afraid to say which things are to go to downtown.

CDD Molloy Previsich stated that it is not possible to regulate certain types of stores in certain places; what a city can do is zone lands and determine development standards and allowable use categories – but we can’t get too specific. We do have a sense of what creates a successful downtown, but we can only do so much with land use planning. We can adopt regulations to create the right types of spaces, but the marketplace will determine what types of uses actually occupy the spaces and when. We are lucky to have Redevelopment Agency resources to attempt to influence and make more feasible retail uses downtown.

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ACM Heindel led discussion regarding information about the average width of downtown lots and estimated a 600 foot length for the east blocks.

Commissioner Mueller spoke on corner spaces, and the need for a 'right mix of space' coupled with a 'right mix of retail'.

CDD Molloy Previsich noted that larger uses can be accommodated on the larger sites, but large uses are not really anticipated to locate in the downtown. Some areas adjacent to the downtown core may be able to accommodate larger uses on the order of 15,000 sq. ft, such as on a redeveloped Block 20.

Parking

CDD Molloy Previsich noted comments received at the stakeholders workshop regarding the need to clarify the parking requirement and relate it to parking occupancy and availability to public. Staff recommendation is for 92%, which is in the middle of the 85% "good availability" factor and the 100% "full occupancy" factor. One of the reasons for this is that there are currently large supportive parking supplies nearby which have not been counted as being available for downtown. A total of 969 public spaces exist at Caltrain parking lot, new County Courthouse, and the Community Cultural Center. While these are not "counted" and may be full at times, they probably will provide almost 1,000 spaces as a parking space "cushion", particularly on weekends and evenings which may end up being the peak downtown demand times.

Chair Escobar (gave an observation he had been wanting to make): business owners want parking adjacent to business as an advantage; should not count Community & Cultural Center, as that provides 'disjointed parking' from downtown. CDD Molloy Previsich confirmed that the Cultural Center was not count in Downtown numbers, nor is the new County Courthouse or the Caltrain lot.

Commissioner Mueller led discussion of the current Code requiring off-site parking within 300 feet. Commissioner Davenport: is there to be walkway from the Courthouse? Staff noted the pedestrian plaza to be constructed within next 2 months at grade (in Plan: page 3-8). Commissioner Mueller most of parking too far away CDD Molloy Previsich explained potential sites for parking structure, including opportunity sites along Depot between street and railroad tracks, structuring the CCC parking lot, and underground parking at development sites.

Chair Escobar opened the public hearing.

Rocke Garcia gave a general comment, agreeing that shoppers want close parking -- "But we need to consider that employees -- and employers, too - could park at the Community & Cultural Center. There is really a need to look at that Center as within a safe walking distance, with proper lighting.

With no others noted to be in attendance to speak to the matter, the public hearing was closed.

Discussion continued:

walking distances from specific locations

Commissioner Davenport the 300 rule of thumb (equates to about 300 feet within 1 minute, 15 seconds); retailers use also this formula when assessing sites to lease in considering available parking. The Downtown core can be considered as a whole with the Cultural Center, Courthouse and VTA on the peripheral.

CDD Molloy Previsich two schools of thought in projecting 20 years into the future:

- projected demand (a question at the stakeholder workshop: should the City target parking supply at 85% so there would always be 15% available for circulation)
- demand versus zoning code

Consultant Mark Spencer advised that in the staff report, the proposal of compromise (aim for 92% occupancy to base parking space supply on) is in recognition of the large supply of parking on the peripheral; this is not believed to become an issue in either 2010 or 2020. The City can use a phasing process for parking resources, he said. "The strategy is to build in a monitoring program, so that adjustments can be made based upon actual demand for parking. Parking need calculations are not based on an exact science," Mr. Spencer said. "We monitor and track changes, and when targets are reached, additional resources will be added as time goes on. You need to be careful in planning the timing for building structured parking. No successful downtown has excess parking so the phasing strategy is important as well. It is not good psychology to have empty parking structures downtown; it needs to be perceived as a successful, 'in-demand' type of place".

Commissioner Mueller: if we are looking at underground parking, that decision must be made early to make sure we do it correctly along with developments.

CDD Molloy Previsich: there is need for projection and tailoring the parking strategy to ensure parking is available prior to or concurrent with new square footage. Staff recommendation is try to build 500 spaces by 2015, primarily using redevelopment funds.

Commissioner Mueller: if I understand what staff is saying, structures will be along Depot; if we need a couple hundred to be undergrounded, it will be along 3rd? CDD Molloy Previsich: the City does not own property right now, but we can talk to property owners and RDA can explore strategies for working with developers to provide public parking under larger development sites.

ACM Heindel: The Draft Plan is designed to have appropriate flexibility for developers, including on the sites RDA owns. The City is working hard but no firm answers have emerged yet as to where underground parking might be feasible, or where specific locations may accommodate parking structures. "My job is to accelerate the process of site development. The Plan allows flexibility for parking where appropriate: underground, at grade, above grade."

CDD Molloy Previsich noted that there are existing surface parking lots behind buildings along Monterey, which are highly desired, and can be improved with lighting and better interconnections. Depot Street could be good area for a "spine" of structured parking. Staff believes that a combination of parking strategies will be able to achieve the necessary number and location of parking spaces.

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Commissioner Davenport works in a world of vision strategy execution and explained the threefold strategy of retail/residential parking (+500 spaces to be determined by 2015) and how to begin process of execution. Other important {future} discussion:

- residential requirements for parking - 1.5 spaces per unit intent
- guest parking
- self-parking with sliding scale of size of units with larger having to plan for more parking
- 70,000 sf of office in parking management plan ~ can be part of shared retail plan or office self park itself
- shared parking good but need to be successful opportunity for Planning Commission to make recommendation of preference to City Council

CDD Molloy Previsich: Staff recommendation is that within the core area (Blocks 1 – 14) that office square footage not be required to self park on site; this will allow for flexibility of use of space for office/retail, and provide incentive for workers downtown and sharing of public parking supply. Also, residential units would need to provide on-site parking, but at levels less than usual, based on the MTC and DKS studies. Parking requirements would vary by unit size:

600 feet or less ~ 1 space

over 600 to 1,350 ~ 1.5 spaces

over 1,350 ~ 2 spaces

Commissioner Tanda: Agency providing for parking retail and office – residential must park self. Commissioner Davenport: guest parking into general residential parking; overflow to public supply. Commissioner Mueller: residential needs to self park. Commissioner Tanda: assume on-street parking; how many residences downtown now and how many in the earlier survey are utilized for making assumption of on-street parking.

CDD Molloy Previsich for residences, if there ever turns out to be a problem for units located in neighborhoods near downtown, there could be a residential parking permit system put in place.

Commissioner Tanda with the strategy of providing off street parking for retail and office, are some of the existing parking spaces being taken away

CDD Molloy Previsich in the Plan, the on-street parking space numbers do reflect the reconstructed Depot Street, as well as the preliminary plan for 3rd Street.

Other considerations of parking changes were discussed, including lane reconfiguration on Monterey Street, which would be a change analyzed in future.

Commissioner Mueller noted in the current Plan, all on-street parking goes against retail with none for residential. Consultant Rius agreed the assumption is that the total supply is for retail, and residential is not counted. Commissioner Mueller said, “If the assumption is to reduce the number of parking spaces because of availability because of cross over, we end up net short 800 spaces and the 1:86 rule doesn’t work. Considerable discussion ensued regarding retail versus residential parking assumptions.

CDD Molloy Previsich identified a strategy within the Plan for monitoring and

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clarified that 2030 is the target year, but monitoring and recalculations will likely go on well before that time.

Noting the hour, Chair Escobar suggested the need for more time for additional discussion. In attempting to choose a logical time for continuing the discussion, too many conflicts in the April 8 meeting were identified. Consequently, **A WORKSHOP WAS SCHEDULED FOR MARCH 18, 2008 TO BE HELD AT THE COMMUNITY CENTER FOR DISCUSSION OF THE CONTENT OF THE DRAFT DOWNTOWN SPECIFIC PLAN, BEGINNING AT 7:00 P.M.**

ANNOUNCEMENTS: Commissioner Mueller commented, "This is our one shot deal which is going to last 100 years for our Downtown."

Commissioner Tanda asked that the review of this topic be in a media format.

The City Council had not met since the last Commission meeting.

Several Commissioners indicated intent to attend the CA Planners Institute in March in Sacramento, with Commissioner Mueller stressing the need to make sure all pertinent sessions were covered.

ADJOURNMENT: Ascertaining there was no further business to come before the Commissioners, Chair Escobar declared the meeting adjourned at 9:40 p.m.

MINUTES PREPARED BY:

JUDI H. JOHNSON, Minutes Clerk